

AMENDMENT NO. 1
TO THE
STATE OF MICHIGAN 401K PLAN
(Amended and Restated Effective January 1, 2002)

Pursuant to Section 11.1 of the State of Michigan 401K Plan (Amended and Restated effective January 1, 2002) (the "Plan"), the State of Michigan, acting through the Administrator of the Plan, hereby adopts this Amendment No. 1 to the Plan, effective as of October 1, 2003:

1. Subsection (a) of Section 2.8 is amended to read as follows:

"(a) "Compensation" means the remuneration paid a Participant on account of the Participant's services rendered to the Employer, equal to the sum of the following:

(i) A Participant's W-2 earnings for services performed for the Employer;

(ii) Any amount contributed or deferred at the election of the Participant which is excluded from gross income pursuant to Code Sections 125, 132(f)(4), 401(k), 403(b) or 457;

(iii) The value of any unpaid furlough hours and the value of any unpaid hours exchanged for Part B annual leave hours, calculated at the Participant's then current hourly rate or rates of pay, for a period during which a Participant is participating in the Banked Leave Time Program; and

(iv) The value of hours not worked during which a Participant is on a voluntary or involuntary leave under the State of Michigan's Pay Reduction Plan A, on a one-day layoff, or on a designated temporary layoff, calculated at the Participant's then current hourly rate or rates of pay."

2. Subsection (a) of Section 2.34 is amended to read as follows:

"(a) For purposes of determining the vesting percentage under Section 6.1(b) of a Tier 2 Participant, the term "Year of Service" means each period during which such Participant is employed by the Employer and is credited with 2,080 hours of service, or such lesser number of annual hours for any classification of Employees as is determined by the Administrator. The foregoing notwithstanding, the crediting of such hours may be subject to a maximum number per pay period for any classification of Employees as is determined by the Administrator (for example, an Executive branch employee being paid for 80 hours every two weeks, will receive a maximum credit of 80 hours of service for that pay period regardless of the number of hours actually worked), and no Participant shall receive credit for more than one (1) Year of Service for any 12-month period of employment. Full service credit shall also be given to a Participant for furlough hours, for required one-day layoffs, for required and designated temporary layoffs,

for a year in which a Participant temporarily leaves employment to enter active military duty and then dies during that active military duty, and for participation in the Banked Leave Time Program. In the event a terminated Participant is reemployed, such individual shall retain credit for all full and partial Years of Service completed prior to such reemployment, for purposes of determining his vesting percentage in any contributions made under the Plan after his reemployment. In the event a Tier 1 Plan participant elected to become a Tier 2 Participant as provided in Section 3.1(b)(ii), Years of Service for such individual shall include all service accrued under the Tier 1 Plan on the effective date of such election.”

3. A new Section 2.35 is added to the Plan, to read as follows:

“**2.35 Banked Leave Time Program** means the Part B annual leave hours within the State of Michigan’s Annual and Sick Leave Program approved by a ruling of the Internal Revenue Service on September 5, 2003, in which a pay reduction or other concessions are applied to a Participant in exchange for additional Part B annual leave hours.”

4. A new subsection (g) is added to the end of Section 4.1, to read as follows:

“(g) Leave Program Non-Matching Contributions.”

5. A new subsection (c) is added to the end of Section 4.4, to read as follows:

“(c) Leave Program Non-Matching Contributions. The Employer shall make a “Leave Program Non-Matching Contribution” for any Participant for the Plan Year(s) during, or immediately prior to, which the Participant retires or otherwise terminates employment, in an amount equal to the value of the unused leave time retained by such Participant under the Banked Leave Time Program (or any other similar leave program as is maintained by the Employer from time to time); provided that such contributions shall be made only to the extent that the Participant has no ability to receive cash in lieu of actually utilizing such unused leave time. The timing, valuation and other aspects of such leave program contributions, shall be subject to such policies or procedures as are determined by the Administrator from time to time.”

6. A new subsection (i) is added to the end of Section 5.2, to read as follows:

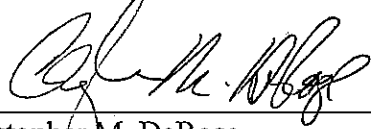
“(i) Leave Program Non-Matching Contributions. Each Participant’s Leave Program Non-Matching Contributions shall be credited to the Participant’s Leave Program Non-Matching Contributions Account.”

7. Subsection (g) of Section 8.5 is amended to read as follows:

“(g) Direct the Trustee as to the recipient, timing and elected form of any distribution, and with respect to any direct plan-to-plan transfer of funds to another qualified retirement plan for any Participant or group of Participants who cease to participate in the Plan for any reason;”

IN WITNESS WHEREOF, this Amendment No. 1 to the Plan is executed this 27th
day of January, 2004, effective as of the date set forth above.

STATE OF MICHIGAN

By: 
Christopher M. DeRose,
Director, Michigan Office of Retirement Services

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STATE OF MICHIGAN
401K PLAN

(Amended and Restated Effective January 1, 2002)

STATE OF MICHIGAN
401K PLAN

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**STATE OF MICHIGAN
401K PLAN**

ARTICLE 1

ESTABLISHMENT OF PLAN AND TRUST

1.1 Establishment of Plan.

This defined contribution Plan is established by the State of Michigan for the exclusive benefit of eligible Employees and their beneficiaries. The State of Michigan originally adopted the Michigan State Employees Deferred Compensation Plan II on September 13, 1985, effective October 1, 1985. The Plan has been amended and restated several other times since the Plan's original adoption, and is hereby further amended and restated in its entirety, and retitled as the "State of Michigan 401K Plan" (the "Plan"), effective January 1, 2002, except as otherwise specifically provided.

1.2 Declaration of Trust.

The Trustee hereby declares that Plan assets delivered to it under this Plan will be held in trust (the "Trust") and administered under the terms of this Plan and Trust. The Trust is established and shall be operated for the exclusive benefit of Participants and their Beneficiaries. The Trust shall not be diverted to other purposes, except that Trust assets may be used to pay reasonable expenses of administration.

1.3 Compliance With Law.

This Plan is intended to constitute a qualified profit sharing retirement plan and trust under the Internal Revenue Code of 1986 ("Code"), as amended, and all regulations issued under the Code ("Regulations") to the extent applicable to a governmental retirement plan. This Plan does not elect to be subject to provisions of the Code that are not applicable to a governmental retirement plan, nor to any of the provisions of the Employee Retirement Income Security Act of 1974.

This amended and restated Plan further reflects all applicable "GUST" qualification requirements under the Uruguay Round Agreements Act ("GATT"), the Uniformed Services Employment and Reemployment Rights Act of 1994, the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, the Internal Revenue Service Restructuring and Reform Act of 1998, and the Community Renewal Tax Relief act of 2000, that are applicable to a governmental retirement plan. It also reflects (effective as noted) certain provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001, which are intended to comply in good faith with the requirements of such statute and which shall be construed in accordance with such statute and guidance issued thereunder.

1.4 Effective Dates of Plan Provisions.

The “Effective Date” of this restated Plan means January 1, 2002, unless a Plan provision specifies a different effective date. Each Plan provision applies from its effective date until the effective date of an amendment thereto.

1.5 Application to Inactive and Former Participants.

An amendment to this Plan shall apply to former Participants and to Participants not employed on the effective date of the amendment only if it amends a provision of the Plan that continues to apply to those Participants or only to the extent it expressly states that it is applicable. Except as specified in the preceding sentence, if a Participant is not employed on the effective date of an amendment, the amendment shall not become applicable to the Participant unless the Participant has an hour of service after the effective date of the amendment.

ARTICLE 2

DEFINITIONS

2.1 Accounts has the meanings set forth in Sections 5.1 and 5.2.

2.2 Administrator means the individual who from time to time holds the position of Director of the Michigan Department of Management and Budget, or the Director's designee.

2.3 After-Tax Employee Contributions has the meaning set forth in Section 4.8.

2.4 Age 50 Catch-Up Contributions has the meaning set forth in Section 4.2(b)(ii).

2.5 Annual Additions has the meaning set forth in Section 5.5.

2.6 Beneficiary has the meaning set forth in Section 7.6.

2.7 Code means the Internal Revenue Code of 1986, as amended.

2.8 Compensation.

(a) "Compensation" means an Employee's W-2 earnings for services performed for the Employer, plus Elective Contributions made under this Plan, and any amount contributed or deferred at the election of the Employee which is excluded from gross income pursuant to Code Sections 125, 132(f)(4), 403(b) or 457.

(b) To the extent provided under policies or procedures adopted by the Administrator from time to time, "Compensation" for a judge of a District, Circuit or Probate Court in the State of Michigan, shall mean an amount up to the total amount of Compensation (as defined in (a) above) paid to such judge by the State of Michigan and any county, municipality or other governmental entity in the State of Michigan. Provided, however, that the policies or procedures adopted by the Administrator may provide that any judge of a District, Circuit or Probate Court in the State of Michigan who elects to terminate membership in the Michigan Judges Retirement System and become a Tier 2 Participant under this Plan in accordance with Section 3.1(b), may irrevocably elect upon first becoming a Tier 2 Participant to exclude all or a portion of the "salary standardization payment" (as defined under the Michigan Judges Retirement System) from his "Compensation" for purposes of this Plan, but only to the extent that such Participant had previously elected to exclude such amount from being considered as compensation under the Michigan Judges Retirement System Pension Plan.

2.9 Effective Date means January 1, 2002, unless a Plan provision specifies a different effective date.

2.10 Elective Contributions has the meaning set forth in Section 4.2.

2.11 Elective Deferral Limit has the meaning set forth in Section 4.2(b)(i).

2.12 Employee has the meaning set forth in Section 3.1(a).

2.13 Employer means the State of Michigan, and any participating political subdivisions, agencies or instrumentalities of the State of Michigan, as determined by the Administrator pursuant to Section 3.1(c).

2.14 Employer Contributions means Matching Contributions and Non-Matching Contributions.

2.15 Excess Deferral has the meaning set forth in Section 4.2(d).

2.16 Forfeitures has the meaning set forth in Section 5.3.

2.17 Investment Manager means a person or entity that is a registered investment adviser under the Investment Advisors Act of 1940, a bank (as defined in the Investment Advisors Act of 1940), or an insurance company licensed to manage, acquire, and dispose of assets of qualified retirement plans under the laws of more than one state, and which acknowledges in writing that it is a fiduciary with respect to this Plan and Trust.

2.18 Matching Contributions has the meaning set forth in Section 4.3.

2.19 Minimum Distribution has the meaning set forth in Sections 7.10 through 7.12.

2.20 Non-Matching Contributions has the meaning set forth in Section 4.4.

2.21 Normal Retirement Date means the later of the date on which a Participant attains age 65 or completes 4 Years of Service.

2.22 Participant means any eligible Employee who has been admitted or readmitted to participation in the Plan as set forth in Section 3.1, including any former Employee who continues to have any Vested Account Balance under the Plan.

2.23 Participating Compensation means the Participant's Compensation for services while a Participant during a Plan Year. For all Plan purposes, Participating Compensation may not exceed \$200,000 (as amended and adjusted for increases in the cost of living in accordance with Code Section 401(a)(17)(B)). If the Participating Compensation considered under this Plan for any Participant constitutes remuneration for a period of less than 12 months, this \$200,000 limitation (as adjusted) shall be prorated based on the number of full months of remuneration taken into account for such Participant.

2.24 Plan means the qualified retirement plan that is created by this document, and all amendments thereto.

2.25 Plan Year means the 12-consecutive month period ending on December 31. Prior to January 1, 1999, Plan Year means the 12-month period beginning each October 1, except for the period October 1 through December 31, 1998, when a "short Plan Year" shall be deemed to have occurred.

2.26 QDRO has the meaning set forth in Section 7.1(e).

2.27 Regulations means all applicable regulations issued under the Code.

2.28 Required Beginning Date means the April 1 following the calendar year in which the Participant attains age 70 ½ or, if later, the April 1 following the calendar year in which the Participant retires.

2.29 Tier 1 Plan means the Michigan State Employees Retirement System Pension Plan, the Michigan Legislative Retirement System Pension Plan, or the Michigan Judges Retirement System Pension Plan.

2.30 Tier 2 Participant has the meaning set forth in Section 3.1(b).

2.31 Trust means the qualified retirement trust that is created by this document, and all amendments thereto.

2.32 Trustee means the individual who from time to time holds the position of Director of the Michigan Department of Management and Budget, or the Director's designee.

2.33 Vested Account Balance means the total value at any time of the vested portion (determined under Section 6.1) of all of the Participant's account balances under the Plan.

2.34 Year of Service.

(a) For purposes of determining the vesting percentage under Section 6.1(b) of a Tier 2 Participant, the term "Year of Service" means each period during which such Participant is employed by the Employer and is credited with 2,080 hours of service, or such lesser number of hours for any classification of Employees as is determined by the Administrator. The foregoing notwithstanding, the crediting of such hours may be subject to a maximum number per pay period for any classification of Employees as is determined by the Administrator (for example, an Executive branch employee being paid for 80 hours every two weeks, will receive a maximum credit of 80 hours of service for that pay period regardless of the number of hours actually worked), and no Participant shall receive credit for more than one (1) Year of Service for any 12-month period of employment. In the event a terminated Participant is reemployed, such individual shall retain credit for all full and partial Years of Service completed prior to such reemployment, for purposes of determining his vesting percentage in any contributions made under the Plan after his reemployment. "Year of Service" shall also include the service accrued by such Participant, prior to such individual's becoming a Tier 2 Participant under this Plan, under any defined benefit retirement plan maintained by the Employer.

(b) Notwithstanding any provision of this Plan to the contrary, effective December 12, 1994, contributions, benefits, and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u).

ARTICLE 3

ELIGIBILITY TO PARTICIPATE

3.1 Eligibility Requirements.

Employees of the State are eligible for participation under the Plan, but only to the extent the Administrator has approved participation for the classification of State employees in which the individual is employed. An eligible Employee shall become a “Participant” in this Plan on the date the Employee is employed. If the Employee is not initially employed in category where he is eligible to participate in the Plan, the Employee shall become a Participant on the first subsequent day on which the Employee is eligible. Such eligibility, however, shall terminate any time employment with the State is terminated.

(a) Employee. “Employee” means an individual who is employed by the Employer and who receives Compensation for personal services performed for the Employer that is subject to withholding for federal income tax purposes. Such term excludes Leased Employees; a “Leased Employee” is an individual who has performed services for the Employer pursuant to an agreement between the Employer and a leasing organization on a full-time basis for at least a one-year period, and such services are performed under primary direction or control by the Employer.

(b) Tier 2 Participant. A Participant shall also be considered a “Tier 2 Participant” under this Plan if:

(i) Such individual is first employed by the Employer on or after March 31, 1997, and such individual prior to March 31, 1997, would have been eligible to be a member of a Tier 1 Plan; or

(ii) Such individual elects to terminate membership in a Tier 1 Plan, and elects to become a Tier 2 Participant under this Plan, in the manner and effective as prescribed under the Tier 1 Plan in which such individual was a member.

(iii) The foregoing notwithstanding, an individual, who first becomes an elected or appointed official of the State of Michigan on or after March 31, 1997, may irrevocably elect not to become or to discontinue participation as a Tier 2 Participant under this Plan, upon filing a written election to such effect with the Administrator. Upon the filing of such an election, such individual shall not (or shall no longer) be eligible to be considered a Tier 2 Participant under this Plan, and no contributions shall be made under Section 4.1(b) on such individual’s behalf. Any unvested portion of the accounts to which such an individual’s Tier 2 Matching and Tier 2 Non-Matching Contributions (if any) are credited, shall be forfeited and applied as provided in Section 5.3, upon the filing of such an election.

(c) Other. The Administrator may also determine the extent to which some or all of the individuals working under the auspices of some or all of the following entities and/or departments of the Employer shall be eligible to participate in the Plan, as Participants and/or Tier 2 Participants:

- (i) State Bar of Michigan;
- (ii) Revenue Bond employees of the Mackinac State Park Commission;
- (iii) Blind Vending Stand Operators in Government Owned Buildings (under license from the Commission for the Blind); and
- (iv) Judges of the Probate Courts in the State of Michigan.

3.2 Participation Rules.

Participation shall terminate upon the earlier of the date the Participant is not an Employee and has been paid the full amount due under this Plan, or the date of the Participant's death. A former Participant shall become a Participant immediately upon reemployment, if he is reemployed in a classification where he is eligible to participate in the Plan as determined under Section 3.1.

ARTICLE 4
CONTRIBUTIONS, ROLLOVERS,
AND TRANSFERS TO PLAN

4.1 Types of Contributions.

As set forth in more detail in the following Sections of this Article 4, the following types of contributions may be made under the Plan:

(a) Elective Contributions.

(b) Employer Contributions for Tier 2 Participants. The Employer shall determine the amount of the following contributions for each Plan Year for Tier 2 Participants only:

(i) Tier 2 Matching Contributions; and

(ii) Tier 2 Non-Matching Contributions.

(c) Discretionary Employer Contributions. The Employer may also determine the amount of the following discretionary contributions for each Plan Year for any Participants under the Plan:

(i) Discretionary Matching Contributions; and

(ii) Discretionary Non-Matching Contributions.

The Employer may determine that no discretionary contribution will be made for a Plan Year. A decision by the Employer to make a discretionary contribution for a Plan Year shall not be a commitment or obligation to make any type of discretionary contribution for a subsequent Plan Year.

(d) Rollovers and Transfers.

(e) After-Tax Employee Contributions.

(f) Restoration of Forfeiture. When restoration of a forfeiture is required with respect to a missing Participant or Beneficiary under Section 6.2(a), and other forfeitures and Trust earnings are insufficient or are not applied for that purpose, the Employer shall contribute the additional amount necessary to restore such forfeiture.

4.2 Elective Contributions.

A Participant may elect to reduce his Compensation by pretax payroll deductions, in a percentage or fixed dollar amount and subject to such minimum and maximum amounts, as determined by the Administrator from time to time. The Employer shall contribute such amounts to the Trust on behalf of the Participant as “Elective Contributions.”

(a) Payroll Deductions. Absent alternative policies or procedures specified by the Administrator, any election to authorize, modify, suspend, or resume payroll deductions shall be in writing and signed by the Participant and shall be subject to the following: A Participant may make a new election or change a prior election effective as of any succeeding payroll period. The election shall then continue in effect until modified or suspended. A Participant may elect to suspend payroll deductions at any time, and such election shall be effective for the first administratively feasible payroll period following the election.

(b) Limits On Elective Contributions. Elective Contributions are subject to the following limits:

(i) “Elective Deferral Limit.” A Participant’s total Elective Contributions under this Plan and other elective deferrals for a calendar year under Code Sections 401(k), 408(k)(6) and 403(b), shall not exceed the lesser of: (A) the dollar limitation under Code Section 402(g) (the provisions of which are incorporated by reference, and which limit is adjusted for increases in the cost of living in accordance with Code Section 415); or (B) 100% of the Participant’s Compensation (or such lower percentage as determined by the Administrator from time to time). The deferral limit shall be determined without reference to gains or losses credited to the Participant’s Elective Contributions account and any catch-up contributions under Code Section 414(v) made pursuant to subsection (ii) below.

(ii) “Age 50 Catch-Up Contributions.” Effective January 1, 2002, an eligible Employee who has attained age 50 (or older) before the close of any Plan Year shall also be eligible to make Elective Contributions for the Plan Year that will be treated as catch-up contributions, in accordance with and subject to the limitations of Code Section 414(v), as determined by the Administrator from time to time. Age 50 Catch-Up Contributions shall not be taken into account for purposes of the provisions of the Plan implementing the required limitations of Code Sections 402(g) (subsection (i) above) and 415 (Section 5.5). The Plan also shall not be treated as failing to satisfy the provisions of the Plan implementing any other applicable requirements of the Code, by reason of the making of any Age 50 Catch-Up Contributions.

(c) Prevention of Excess Deferrals. If the Administrator determines that the Elective Deferral Limit has been or may be exceeded, the Administrator may reduce or suspend Elective Contributions for individual Employees, as necessary.

(d) Correction of Excess Deferrals.

(i) At the Participant’s request, all or any portion of the Participant’s Excess Deferral, plus attributable income or loss (in the event such distribution occurs after the calendar year in which such Excess Deferral is made), shall be distributed to the Participant. For this purpose, “Excess Deferral” means a Participant’s Elective Contributions that exceed the Elective Deferral Limit.

(ii) The Participant must request distribution of an Excess Deferral no later than the February 15th following the calendar year for which such Excess Deferral was contributed. The request must specify the amount of the Excess Deferral to be distributed and

contain an acknowledgment that the amount to be distributed exceeds the Elective Deferral Limit. If the written request is timely, the distribution shall be made by the April 15th following receipt of the request. If such request is not timely, any Excess Deferral shall be retained in this Plan for later distribution in accordance with Article 7.

(e) Corresponding Matching Contributions. To the extent an Elective Contribution is returned to a Participant as an Excess Deferral, the corresponding portion of any Matching Contribution, plus any attributable income or loss, shall be forfeited or distributed to such Participant, based upon the Participant's vested percentage as determined under Section 6.1(b).

4.3 Employer Matching Contribution.

"Matching Contributions" shall include:

(a) Tier 2 Matching Contributions. Except as set forth in Section 4.9(c), the Employer shall make a "Tier 2 Matching Contribution" for each Tier 2 Participant credited with Elective Contributions during the Plan Year, in an amount equal to 100% of the Participant's Elective Contributions for any payroll period during which such Participant is credited with Elective Contributions, but in no event greater than three percent (3%) of the Participant's Participating Compensation for any such payroll period.

(b) Discretionary Matching Contributions. The Employer may, but shall not be required to, make a "Discretionary Matching Contribution" for all or any part of the Plan Year for any Participant credited with Elective Contributions, in such amounts as the Employer may determine; the Employer may determine to contribute different amounts, or make no such Discretionary Matching Contributions, for one or more classifications of Participants.

4.4 Employer Non-Matching Contribution.

"Non-Matching Contributions" shall include:

(a) Tier 2 Non-Matching Contributions. The Employer shall make a "Tier 2 Non-Matching Contribution" for a Plan Year, for each Tier 2 Participant, in an amount equal to four percent (4%) of the Participant's Participating Compensation for all or any part of the Plan Year.

(b) Discretionary Non-Matching Contributions. The Employer may, but shall not be required to, make a "Discretionary Non-Matching Contribution" for all or any part of the Plan Year for any Participant, in such amounts and calculated on such basis as the Employer may determine; the Employer may determine to contribute different amounts, or make no such Discretionary Non-Matching Contributions, for one or more classifications of Participants.

4.5 Return of Contributions.

Part or all of any contribution made under the Plan by mistake of fact may be returned to the Employer, upon demand, within one year after payment of the contribution or as otherwise permitted under applicable Regulations. The amount that may be returned shall be the excess of the amount contributed over the amount that would have been contributed if the mistake of fact had not occurred. Earnings attributable to the excess amount shall not be returned, but losses

through the date of repayment that are attributable to the excess amount shall reduce the amount returned. The amount returned shall not reduce a Participant's account to less than the account balance would have been, had the excess amount not been contributed.

4.6 Timing of Contributions.

Any Employer Contribution may be paid to the Trustee at any time during the Plan Year, and shall in any event be paid to the Trustee no later than is administratively feasible following the end of the Plan Year for which the contribution is being made. Any Elective Contribution amounts withheld from a Participant's Compensation for contribution to this Plan shall be paid to the Trustee within 30 days of the date the amounts are withheld from the Participant's Compensation.

4.7 Rollovers and Transfers.

(a) The Trustee, on behalf of a Participant who is actively employed by the Employer, may accept, administer, and distribute an amount that is either: (i) a direct plan-to-plan transfer of funds held under another qualified retirement plan or trust for a Participant that is not an eligible rollover distribution; or (ii) an eligible rollover distribution within the meaning of Section 7.8(b) (including after-tax amounts, which shall be separately accounted for under this Plan) from another tax-qualified retirement plan, an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), or an annuity contract described in Code Section 403(b).

(b) If a rollover amount is determined not to be a qualifying rollover or constitutes a prohibited transfer, the amount, plus any earnings and minus any losses, shall be distributed to the Participant immediately. Any amount transferred to this Plan which the Administrator determines, due to actuarial error or other recalculation, was improper, may be returned to the qualified retirement plan or trust from which such transfer was made.

4.8 After-Tax Employee Contributions.

If authorized by the Administrator, a Participant may make voluntary "After-Tax Employee Contributions" under this Plan. Generally, After-Tax Employee Contributions shall be made by payroll deductions, in a percentage or fixed dollar amount and subject to such minimum and maximum amounts, as determined by the Administrator from time to time. Absent alternative policies or procedures specified by the Administrator, any election to authorize, modify, suspend, or resume such payroll deductions shall be subject to the same procedures as are specified for the making of Elective Contributions pursuant to Section 4.2.

4.9 Special Contributions for Judges.

In compliance with the settlement agreement and final Court Order in the case of Michigan Judges Assn. v. Treasurer of the State of Michigan, Case No. 98-DT-72771-CV (E.D. Mich. 2000), the following Employer Contributions shall be made with respect to the members of the settlement class in such action:

(a) With respect to each such settlement class member who elects pursuant to the settlement agreement to become a Tier 2 Participant under the Plan effective retroactive to July 1, 1998, the Employer shall make and credit to the appropriate account for such Participant a Tier 2 Non-Matching Contribution (as set forth in Section 4.4) equal to four percent (4%) of such Participant's compensation for the period from July 1, 1998 through December 31, 1999. In accordance with Section 5.5, such amounts shall be treated as having been contributed in (and shall be deemed retroactively to be Annual Additions with respect to) the Limitation Year in which the Participant received the compensation to which such contributions relate. Effective January 1, 2000, the provisions of Section 4.4 shall apply to such Participant in the manner set forth therein, and a Tier 2 Non-Matching Contribution shall be made annually on such Participant's behalf in accordance with such provision.

(b) With respect to each other such settlement class member who automatically became a Tier 2 Participant under the Plan effective prior to January 1, 2000, the Employer shall make and credit to the appropriate account for such Participant a Tier 2 Non-Matching Contribution (as set forth in Section 4.4) equal to four percent (4%) of such Participant's compensation for all periods through December 31, 1999. In accordance with Section 5.5, such amounts shall be treated as having been contributed in (and shall be deemed retroactively to be Annual Additions with respect to) the Limitation Year in which the Participant received the compensation to which such contributions relate. Effective January 1, 2000, the provisions of Section 4.4 shall apply to such Participant in the manner set forth therein, and a Tier 2 Non-Matching Contribution shall be made annually on such Participant's behalf in accordance with such provision.

(c) Effective October 1, 2000, and in lieu of the Tier 2 Matching Contributions set forth in Section 4.3(a) that the Employer might otherwise have been required to contribute with respect to periods prior to such date on behalf of each such settlement class member, the Employer shall make and credit to the appropriate account for each such Participant a Discretionary Matching Contribution, in such amount and for such duration as shall permit the Employer to comply with the requirements of the settlement agreement referred to above.

ARTICLE 5

ACCOUNTING

5.1 Accounts.

(a) The Administrator shall maintain at least one account for each Participant who elects to make Elective Contributions to the Plan. The Administrator may maintain additional accounts on behalf of a Participant, including a separate account for each other type of contribution and for each rollover or transfer of assets to this Plan. Separate accounts shall be maintained for accounting purposes only and shall not require segregated investment of amounts credited to separate accounts except as specified in Article 9.

(b) Separate accounts shall not be required if (i) the separation is not necessary for compliance with any requirement of the Code and Regulations, (ii) the consolidation would not deprive a Participant of any tax or transfer opportunity, and (iii) the accounts are subject to the same vesting schedule or are fully vested.

5.2 Crediting of Contributions.

Contributions to this Plan shall be credited to Participants' accounts when made, as follows:

(a) Elective Contributions. Each Participant's Elective Contributions shall be credited to the Participant's Elective Contributions Account.

(b) Tier 2 Matching Contributions for Tier 2 Participants. Tier 2 Matching Contributions shall be credited to the Tier 2 Matching Contributions Account of each eligible Tier 2 Participant who elects to make Elective Contributions.

(c) Tier 2 Non-Matching Contributions for Tier 2 Participants. Tier 2 Non-Matching Contributions shall be credited to the Tier 2 Non-Matching Contributions Account of each eligible Tier 2 Participant who is employed at any time during the Plan Year.

(d) Discretionary Matching Contributions. A Participant may be eligible for a share of any Discretionary Matching Contributions which the Employer may determine to contribute for all or any part of the Plan Year. Discretionary Matching Contributions for a Plan Year shall be credited to the Discretionary Matching Contributions Account of each eligible Participant uniformly in a specific dollar amount or as a percentage of the Elective Contributions made by such Participant, subject to such policies or procedures and maximum limits as are determined by the Administrator. If a different Discretionary Matching Contribution is made for a separate classification of Participants for a Plan Year, the method of crediting such contributions to Participants' accounts as described in this provision shall be applied separately for each classification of Participants.

(e) Discretionary Non-Matching Contributions. A Participant may be eligible for a share of any Discretionary Non-Matching Contributions which the Employer may determine to

contribute for all or any part of the Plan Year. Discretionary Non-Matching Contributions for a Plan Year shall be credited to the Discretionary Non-Matching Contributions Account of each eligible Participant, uniformly in a specific dollar amount or as a percentage of the Participant's Participating Compensation, subject to such policies or procedures and maximum limits as are determined by the Administrator. If a different Discretionary Non-Matching Contribution is made for a separate classification of Participants for a Plan Year, the method of crediting such contributions to Participants' accounts as described in this provision shall be applied separately for each classification of Participants.

(f) Rollovers and Transfers. Each Participant's rollover or transfer contributions shall be credited to the Participant's Rollover/Transfer Contributions Account.

(g) After-Tax Employee Contributions. Each Participant's After-Tax Employee Contributions shall be credited to the Participant's After-Tax Employee Contributions Account.

(h) Restoration of Forfeiture. If a forfeited amount is required to be restored under Section 6.2(a), that amount shall be recredited to the account from which the amount was originally forfeited.

5.3 Forfeitures.

(a) Forfeitures shall occur as of the dates specified in Section 6.2. Forfeitures that occur during a Plan Year shall be credited to the Forfeitures Account and invested by the Trustee in accordance with the provisions of Articles 9 and 10 of the Plan. Forfeitures shall be applied first during the Plan Year to restore any forfeited amounts that are required to be restored under the limited circumstances set forth in Section 6.2(a). Except as set forth in subsection (b) below, the balance of any forfeitures and earnings thereon remaining in the Forfeitures Account at the end of any Plan Year shall be used to reduce the required amount or rate of Employer Tier 2 Matching and Tier 2 Non-Matching Contributions provided for under Sections 4.3 and 4.4 for the current or any following Plan Year.

(b) At any time during a Plan Year, the Administrator may direct the Trustee to pay administrative expenses of the Plan or other costs incurred by the Plan out of the Forfeitures Account. In addition, the Administrator may determine that a certain portion of the amounts held in the Forfeitures Account should be maintained in reserve from year to year (in such amounts, and subject to policies or procedures adopted by the Administrator from time to time), and not used to reduce required Employer Contributions for any Plan Year as contemplated in subsection (a) above.

5.4 Accounting for Earnings, Losses, and Expenses; Revaluation of Assets.

(a) A Participant's accounts shall be credited or debited from time to time to reflect any expenses incurred by or charged to such accounts and the earnings, gains and losses which have been realized from the investments of such accounts under the Trust, in accordance with the Participant's directions pursuant to Section 9.4. The Administrator and Trustee will coordinate their efforts to maintain sufficient accounting records to identify the individual account balances and the changes thereto under the Trust, for all Participants of the Plan. Daily valuation record

keeping shall be used by the Plan, unless another valuation method is implemented by the Administrator.

(b) With respect to a loan made to a Participant pursuant to Section 9.5, interest and principal payments shall be credited directly to the Participant's accounts, and will then be reinvested in accordance with the Participant's investment direction in effect at such time. Any expenses associated with making and administering such loan, may be charged directly to the accounts of the Participant under policies or procedures adopted by the Administrator from time to time.

5.5 Limitation on Annual Additions.

- (a) "Annual Additions" for a Participant for a Limitation Year means the sum of:
- (i) The Participant's Elective Contributions, other than Age 50 Catch-Up Contributions made pursuant to Section 4.2(b)(ii);
 - (ii) the Participant's share of the Employer's Contributions and forfeitures;
 - (iii) the Participant's After-Tax Employee Contributions;
 - (iv) contributions allocated to an individual medical benefit account in a pension or annuity plan, as defined in Code Section 415(1)(2);
 - (v) for the Limitation Years during which these amounts were contributed, Excess Deferrals, whether or not distributed to a Participant; and
 - (vi) an excess Annual Addition from the preceding Limitation Year applied to reduce the Employer Contributions for the current Plan Year.
- (b) The Annual Additions to a Participant's accounts for any Limitation Year shall not exceed the limit set forth in Code Section 415(c) (the provisions of which are incorporated by reference) which is applicable to such Plan Year, as amended and adjusted for increases in the cost of living in accordance with Code Section 415(d).
- (c) For purposes of applying the Annual Addition limitation referred to in subsection (b) above, "compensation" means a Participant's earned income, wages, salaries, and fees for professional services and other amounts received for personal services actually rendered in the course of employment with the Employer (including, but not limited to, commissions paid to salesmen, compensation for services based on a percentage of profits, commissions on insurance premiums, tips, and bonuses) actually paid or accrued and includable in gross income for the Limitation Year; excluding those items of remuneration as set forth in the Regulations under Code Section 415 (and specifically excluding any employee contributions that are picked up pursuant to Code Section 414(h)(2)). For this purpose, "compensation" shall also include any Elective Contributions made under this Plan, and any amount contributed or deferred at the election of the Employee which is excluded from gross income pursuant to Code Sections 125, 132(f)(4), 403(b) or 457.

(d) “Limitation Year” means the Plan Year.

(e) If the Annual Additions limitation would be exceeded for a Participant as a result of an application of forfeitures, a reasonable error in estimating a Participant’s annual compensation or other facts and circumstances permitted by the Commissioner of Internal Revenue, the excess amount shall be eliminated by: (i) reducing the amount of Employer Contributions for the Plan Year before payment to the Trustee, to the maximum amount permitted; (ii) returning the Participant’s After-Tax Employee Contributions (if any) together with attributable earnings for the Plan Year; and/or (iii) holding the excess in a suspense account.

The amount in any suspense account created hereby shall be used to reduce an Employer Contribution for the next Plan Year and shall be allocated before other Annual Additions are credited to Participants’ Accounts. If this Plan is terminated or contributions to this Plan are discontinued while there is a suspense account, the allocation shall be made as of the end of the next Plan Year or, if earlier, as of the date of termination or discontinuance. No investment experience shall be credited to a suspense account. Excess Annual Additions held in a suspense account may not be distributed to Participants or former Participants.

ARTICLE 6

DETERMINATION OF VESTED PERCENTAGE

6.1 Vested Percentage.

(a) Except as provided in (b) below, each Participant shall have a 100% vested percentage in all of the Participant's accounts under this Plan at all times.

(b) Each Participant shall vest in the accounts to which any Matching and Non-Matching Contributions are allocated under Sections 4.1(b) and (c), according to the following schedule:

Prior to completion of 2 Years of Service	0%
Upon completion of 2 Years of Service.....	50%
Upon completion of 3 Years of Service.....	75%
Upon completion of 4 or more Years of Service	100%

6.2 Forfeitures.

(a) If a Participant or Beneficiary entitled to a payment cannot be located, the Participant's accounts related thereto shall be forfeited as of the date the Administrator certifies to the Trustee that the Participant or Beneficiary cannot be located. The Participant's Vested Account Balance that is so forfeited shall be restored to the Participant's account if the Participant or Beneficiary entitled to the payment later submits a written election of method of payment.

(b) Any unvested portion of a Participant's accounts (determined under Section 6.1) shall be forfeited and applied as provided in Section 5.3, upon the death or other termination of employment of the Participant.

(c) Any provision of this Plan to the contrary notwithstanding, a Participant and/or his or her Beneficiaries shall forfeit the Participant's accounts which are attributable to Employer Contributions, and any rights under this Plan, as otherwise provided under the laws of the State of Michigan that permit such forfeiture (for example, due to the Participant's felony conviction, or prohibited participation in any other public sector retirement benefits plan), or as the Administrator deems necessary to satisfy the State of Michigan's claims arising from embezzlement or fraud committed by the Participant and/or any Beneficiary. A Participant's accounts which are attributable to any other types of contributions may also be forfeited under similar circumstances, as determined by the Administrator from time to time.

ARTICLE 7

DISTRIBUTIONS

7.1 Distributive Events.

The following events shall permit distribution.

(a) Normal Retirement Date. A Participant's employment terminates at or after the Participant's Normal Retirement Date.

(b) Death. A Participant dies.

(c) Other Termination of Employment. A Participant's employment terminates for any reason. A Participant's transfer to a category of employment with the Employer where a Participant is no longer eligible to participate in the Plan does not constitute a termination of employment.

(d) Attainment of Age 70 ½. A Participant attains age 70 ½.

(e) QDRO. This Plan receives a QDRO and the Administrator directs the Trustee to pay benefits to an alternate payee as set forth in the QDRO.

"QDRO" means a "qualified domestic relations order," as determined under Code Section 414(p), as modified by Code Section 414(p)(11).

(f) Plan Termination; Partial Termination. Termination of this Plan with respect to all Participants or partial termination with respect to Participants affected by the partial termination. Notwithstanding the foregoing, a Participant's Elective Contributions account may not be distributed on Plan termination if the Employer maintains a successor defined contribution plan.

(g) Hardship Withdrawal. A Participant requests a hardship withdrawal which satisfies the following conditions:

(i) Amount. The amount of the withdrawal shall not exceed the amount needed to meet the immediate financial need. Further, a hardship withdrawal may not be paid from any funds held by the Plan consisting of earnings on the Participant's Elective Contributions account, or any amounts transferred directly to this Plan from any Tier 1 Plan (and the earnings thereon).

(ii) Immediate and Heavy Financial Need. The request must establish an unusual financial burden due to immediate and heavy financial needs. The Administrator shall require the Participant to provide written documentation of the immediate and heavy financial need. The following shall constitute "immediate and heavy financial needs" for purposes of this Plan: (A) only the purchase of, but not mortgage or other regular payments for, a principal residence for the Participant; (B) tuition, related educational fees, and room and board expenses,

for the next twelve (12) months of postsecondary education for the Participant, the Spouse, or children; (C) medical expenses of the type that are deductible under Code Section 213(d) for the Participant, the Spouse, or children; and (D) prevention of eviction from, or foreclosure (or forfeiture) of the mortgage, land contract, or other security interest on the Participant's principal residence.

(iii) **Other Resources.** The amount needed to meet the immediate and heavy financial need must not be reasonably available from other resources of the Participant. Other resources include the liquidation of personal assets (if such liquidation would not create an immediate and heavy financial need), reimbursement, or borrowing the amount needed. The Administrator may reasonably rely on the representations of a Participant regarding the availability of other financial resources. A Participant must elect to receive all available Plan loans. The Participant's right to make Elective Contributions and After-Tax Employee Contributions under this Plan and all other qualified and nonqualified plans maintained by the Employer, and cafeteria plans under Code Section 125, but excluding other health and welfare benefit plans, shall be suspended for a period of at least six (6) months after the withdrawal.

(h) **Withdrawal of After-Tax Employee Contributions.** A Participant requests a withdrawal from the Participant's After-Tax Employee Contributions Account.

7.2 Valuation for Distribution.

The Participant's Vested Account Balance shall be valued for purposes of making distributions hereunder, based on daily valuation record keeping, unless another valuation method is implemented by the Administrator. The amount to be distributed shall be reduced by the amount of any loan outstanding at any time.

7.3 Methods of Distribution.

Distribution of a Participant's Vested Account Balance shall be made in one or a combination of the following methods:

(a) **Lump Sum.** Distribution shall be made in a single payment or, if necessary, in one or more payments within one taxable year of the recipient. A lump sum within the meaning of the preceding sentence shall be the only permitted method of distribution for the following:

- (i) Termination of the Plan or partial termination of this Plan under Section 7.1(f) and Article 12;
- (ii) Small accounts with a value of \$5,000 or less;
- (iii) A hardship withdrawal under Section 7.1(g); and
- (iv) A withdrawal of After-Tax Employee Contributions under Section 7.1(h).

(b) **Transfers to Another Plan.** At a Participant's election, and subject to the provisions of Section 7.8, the Administrator shall direct the Trustee to transfer all or any portion of the Participant's Vested Account Balance in a lump sum to the Trustee or custodian of another

qualified retirement plan or an individual retirement account to be held and distributed under the terms of that plan or account.

(c) Installments. Distribution shall be made in installments paid annually, or more frequently if permitted by the Administrator, over an elected period of years not exceeding the life expectancy of the Participant or the joint life expectancy of the Participant and a Beneficiary.

(i) The amount of the installment payments distributed each calendar year shall be equal to the quotient obtained by dividing the Participant's Vested Account Balance by the remaining number of years in the period; other methods of determining the installment amount payable may be authorized by policies or procedures adopted by the Administrator from time to time. The elected installment payment schedule may be changed or the remainder may be paid in a lump sum, but a Participant may not elect payments smaller than the Minimum Distribution required under the applicable provisions of Sections 7.10, 7.11, or 7.12.

(ii) Life expectancy, as of the calendar year in which payment begins, shall be determined in the manner described in the applicable provisions of Sections 7.10, 7.11, or 7.12.

7.4 Time of Distribution.

(a) Immediate Distribution. Distribution shall begin on the Earliest Distribution Date.

(i) "Earliest Distribution Date" means the first date on which distribution is administratively feasible following the distributive event and election of a distribution by the Participant, Beneficiary or other recipient. A Participant may elect to defer distribution to any date not later than the applicable date in (b) below; such deferral shall be deemed to have been elected by the Participant in the event the Administrator fails to receive a distribution election form from a Participant.

(ii) Exceptions.

(A) Death. The time of distribution following death of a Participant is determined under the applicable provisions of Sections 7.10, 7.11, or 7.12.

(B) QDRO. Distribution to an alternate payee under a QDRO shall be paid to the alternate payee at the time specified in the order, whether or not the Participant has attained a specific age and even though the Participant continues to be an Employee.

(b) Required Distribution. If not made or begun under (a) above, distribution to a Participant shall begin not later than the Participant's Required Beginning Date. Unless paid during the calendar year before the Participant's Required Beginning Date, the Minimum Distribution for that calendar year shall be paid not later than the Required Beginning Date. The Minimum Distribution for each subsequent calendar year shall be paid by the last day of the calendar year for which it is required.

7.5 Election of Method and Time of Distribution.

(a) To the extent permitted under this Article, the Participant or other recipient may elect the method and time of distribution. Except as provided in subsection (b) below, however, no distribution may be made prior to the date the Participant attains age 70-1/2, without the Participant's consent. The consent shall be given by making an election of distribution. The election shall be made not later than the date distribution actually begins or, if earlier, the date when distribution must begin. An election may be revoked or changed at any time, whether before or after distribution begins. An election shall be made in a form acceptable to and as determined by the Administrator from time to time. The Administrator may require additional election, application or information forms required by law or deemed necessary or appropriate by the Administrator in connection with any distribution.

(b) Notwithstanding subsection (a) above or any other provision of this Plan to the contrary and subject to such policies and procedures as determined by the Administrator from time to time, where at a Participant's retirement, death or other termination of employment the total value of the Participant's Vested Account Balance is \$200 or less, the Administrator shall upon or as soon as is practicable after such event direct the Trustee to pay such amount to the Participant in a lump sum. Further, a Participant's distribution election shall not cause a reduction in the minimum amount or delay the required time of payment of any Minimum Distribution or any distribution required after the death of a Participant.

7.6 Designation of Beneficiary.

(a) "Beneficiary." Subject to the restrictions set forth below, a Participant may designate one or more Beneficiary(ies) to receive the Participant's benefits under the Plan after the Participant's death, by filing a signed designation with the Administrator in the form approved by the Administrator; such designation may be changed or revoked by the Participant in writing at any time. The Participant's will is not effective for this purpose. The Beneficiary shall receive the same rights allowed the Participant should the Participant die, except for the right to change any other beneficiary(ies) previously named by the Participant.

(b) Spousal Consent. If a married Participant designates or changes to a Beneficiary other than the Spouse without the Spouse's consent to and acknowledgment of the effect of the designation, the designation shall be void. A consent that permits further designations without consent is void unless the Spouse expressly and voluntarily permits such designations without any further spousal consent. The consent may be limited to a specific Beneficiary and a specific method of distribution. The consent and acknowledgment of the Spouse must be witnessed by an individual named by the Administrator or by a notary public; if the Spouse cannot be located or if other circumstances prescribed by the Administrator exist, the consent need not be obtained. "Spouse" means the Participant's husband or wife at any specified time; a former Spouse shall not be a Spouse except to the extent specified in a QDRO. A Beneficiary designation by a Participant will not be effective upon the Participant's subsequent marriage unless the Spouse consents to the designation and acknowledges the effect of the designation. A Participant may designate one or more successor Beneficiaries to the Spouse without the Spouse's consent.

(c) Death of Designated Beneficiary. Unless otherwise designated by the Participant: If distribution is being made to a primary Beneficiary designated by the Participant who dies before complete distribution, the remaining amount in the account shall be paid to the Participant's contingent Beneficiary (if any). If distribution is being made to more than one primary Beneficiary, upon the death of a Beneficiary distribution shall continue to the survivor or survivors of them, and any remaining amount in the account upon the death of the last surviving primary Beneficiary shall be paid to the contingent Beneficiary (if any).

(d) No Beneficiary. If a deceased Participant fails to designate a Beneficiary, or has no surviving Beneficiary on the date a distribution is payable, the remaining balance shall be paid in a lump sum to the Participant's Spouse, or if there is no surviving Spouse, to the Participant's legal representative, or if there is no legal representative, to the Participant's estate, if then under the active administration of a probate or similar court, or if not, to those persons who would then take the Participant's personal property under the Michigan intestate laws then in force and in the proportions provided therein, as though the Participant had died at such time.

(e) Determination. The Administrator shall apply the provisions of this section to determine the proper persons to whom payment should be made. The decision of the Administrator shall be final and binding on all persons.

7.7 Facility of Payment.

Any payment made in accordance with this Section shall fully discharge the Administrator, Employer and Trustee from all future liability with respect to the amount so paid.

(a) If a Participant or Beneficiary entitled to a payment under the Plan is legally, physically, or mentally incapable of receiving or acknowledging payment, the Administrator may direct the payment to any of the following: the recipient; the recipient's legal representative; the Spouse, child, or other relative by blood or marriage of the recipient; the individual with whom the recipient resides; or by expending the payment directly for the benefit of the recipient. A payment made to any person other than the recipient shall be used for the recipient's exclusive benefit.

(b) In determining the identity or whereabouts of a Participant or Beneficiary entitled to a payment under the Plan, the Administrator may rely upon such affidavits or other information as it deems appropriate, and shall further be authorized to direct payment to a successor Beneficiary or another person or entity in reliance thereupon. Any person not receiving any such payment shall have no rights with respect to payments so made.

(c) The Employer shall not be required to commence probate proceedings or to secure the appointment of a legal representative in connection with any payment made in accordance with this Section.

7.8 Direct Rollovers.

(a) Election of Direct Rollover. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this section, a distributee may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an

eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(b) Definitions.

(i) **Eligible Rollover Distribution.** An “eligible rollover distribution” is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee’s designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); the portion of any distribution that is not includible in gross income (except, effective January 1, 2002, to the extent that such portion is paid to an individual retirement account or annuity described in Code Sections 408(a) or (b), or to a qualified defined contribution plan described in Code Sections 401(a) or 403(a) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible); any amount (effective January 1, 2000) distributed on account of hardship from a qualified plan satisfying the requirements of Code Section 401(k); and any amount (effective January 1, 2002) distributed on account of hardship, regardless of the type of plan from which such amount is distributed.

(ii) **Eligible Retirement Plan.** An “eligible retirement plan” that accepts the distributee’s eligible rollover distribution is (i) an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a), or a qualified trust described in Code Section 401(a), or (ii) effective January 1, 2002, an annuity contract described in Code Section 403(b) or an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state, which agrees to separately account for amounts transferred into such plan from this Plan. However, effective prior to January 1, 2002, in the case of an eligible rollover distribution to a surviving Spouse or former spouse who is the alternate payee under a QDRO, an eligible retirement plan is an individual retirement account or individual retirement annuity.

(iii) **Distributee.** A “distributee” includes an Employee or former Employee. In addition, the Employee’s or former Employee’s surviving Spouse and the Employee’s or former Employee’s spouse who is the alternate payee under a QDRO, are distributees with regard to the interest of the Spouse or former spouse.

(iv) **Direct Rollover.** A “direct rollover” is a payment by the Plan to the eligible retirement plan specified by the distributee.

7.9 Transfers to Purchase Service Credits.

Notwithstanding any other provision of this Plan to the contrary and subject to such policies and procedures as determined by the Administrator from time to time, upon application by any Participant at any time prior to the Participant’s termination of employment with the

Employer (regardless of whether the Participant is otherwise entitled to a distribution from the Plan), the Administrator shall direct the Trustee to transfer directly to the Trustee of any Tier 1 Plan (or any other defined benefit retirement plan maintained by the Employer under Code Section 401(a)) in which the Participant also participates, that portion of the Participant's Vested Account Balance which the Participant requests be so transferred, for the purpose of purchasing additional service credits that will be counted in determining the Participant's benefits under such defined benefit plan. Any such amounts that are so transferred will remain nonforfeitable and be credited periodically with applicable interest (if any) under such Plan, and will not be distributed from such plan prior to the Participant's death, disability, retirement or other severance from employment.

7.10 Minimum Distribution Requirements (Effective prior to January 1, 2002).

(a) Required Minimum Distributions During Participant's Lifetime. The minimum amount that must be distributed for each calendar year beginning with the calendar year in which the Participant's Required Beginning Date occurs ("Minimum Distribution"), shall be at least equal to the quotient obtained by dividing the Participant's Vested Account Balance by the applicable divisor.

(i) Vested Account Balance. The value of the Vested Account Balance shall be determined as of the last day of the Plan Year preceding the calendar year of distribution and shall be increased by any amounts credited to the Participant's accounts as of any later date during such preceding calendar year and reduced by any amounts charged against such accounts as of any later date during such calendar year.

(ii) Applicable Divisor. The applicable divisor shall be the greater of:

(A) Life Expectancy. The life expectancy determined under (c) below;

or

(B) Incidental Death Benefit Factor. The applicable divisor, under Regulations Section 1.401(a)(9)-2, A-4(a)(2), based on the Participant's adjusted age at the birthday during the calendar year for which the distribution is made.

(b) Required Minimum Distributions After Participant's Death.

(i) Death Before Required Beginning Date. If the Participant dies before the Required Beginning Date, payment shall be made to the Participant's Beneficiary, as soon as administratively feasible following election of payment.

(A) Spouse. If the Spouse is the Beneficiary, the Spouse may elect distribution at any time after the Participant's death. Distribution must begin on or before the last day of the calendar year in which the Participant would have attained age 70 ½ or, if later, the last day of the calendar year following the calendar year in which the Participant died. If the Spouse dies before distribution must begin, distribution shall be made under (B) or (C) as though the Spouse were the Participant. If the Spouse dies after payment must begin, distribution shall be made under (ii) below as though the Spouse were the Participant.

(B) Other Beneficiary. If benefits are to be paid to a Beneficiary other than the Spouse and payment is elected and begins before the end of the calendar year following the year in which the Participant died, the Beneficiary may elect the installment method of distribution over a period not exceeding the Beneficiary's life expectancy. If the Beneficiary elects to receive benefit payments over a period in excess of five years and dies before complete distribution, the remainder shall be distributed to the successor Beneficiary at least as rapidly as under the method of distribution in effect at the Beneficiary's death.

(C) Default Rule. Unless paid under (A) or (B) above, distribution shall be completed no later than the last day of the calendar year that includes the fifth anniversary of the Participant's death. If the Beneficiary dies before complete distribution, the remainder shall be paid to the successor Beneficiary no later than the last day of the calendar year that includes the fifth anniversary of the Participant's death.

(D) Installment Method. If the installment method is elected by the Spouse or other Beneficiary, the applicable life expectancy, as of the calendar year in which distribution begins, or other installment period and the amount of each installment, shall be determined under Sections 7.3 and subsection (a) above.

(ii) Death After Required Beginning Date. If the Participant dies after the Required Beginning Date, any unpaid amount must be distributed at least as rapidly as under the method of distribution in effect at the Participant's death.

(c) Life Expectancy.

(i) Determination. Life expectancy shall be based on the Participant's (and/or Beneficiary's) attained age at the birthday during the calendar year in which the Participant's Minimum Distributions must commence. Life expectancy shall be determined from life expectancy Tables V and VI in Regulations 1.72-9. Election of the applicable life expectancy shall be irrevocable when distribution begins. If a life expectancy or shorter installment period is not elected, the Participant's life expectancy shall apply.

(ii) Redetermination. If a Participant (or Spouse, if the Participant is deceased, but not any other Beneficiary) so elects, life expectancy or the joint life expectancy of the Participant and Spouse may be redetermined annually under Code Section 401(a)(9) and the Regulations thereunder. The election must be irrevocable when made and must be made not later than the Participant's Required Beginning Date. If redetermination is not elected, the applicable life expectancy for each calendar year after the calendar year in which installments begin shall be the life expectancy or joint life expectancy for the first calendar year reduced by one year for each calendar year after the year in which installments begin.

(d) Governing Rules. Any other provisions of this Article notwithstanding, all distributions of benefits under this Plan to Participants and Beneficiaries shall be determined and made only in accordance with the requirements of Code Section 401(a)(9), as amended, and the Regulations thereunder (to the extent applicable to governmental plans), and the requirements thereof are hereby incorporated and applied to this entire Article by reference.

7.11 Minimum Distribution Requirements (Effective during 2002 calendar year).

With respect to distributions under the Plan made during the 2002 calendar year, the Plan will apply the minimum distribution requirements of Code Section 401(a)(9) in accordance with the Regulations under Code Section 401(a)(9) that were proposed in January 2001, notwithstanding any provision of the Plan to the contrary.

7.12 Minimum Distribution Requirements (Effective January 1, 2003).

(a) General Rules.

(i) **Effective Date.** The provisions of this Section will apply for purposes of determining required minimum distributions for distribution calendar years beginning with the 2003 calendar year.

(ii) **Precedence.** The requirements of this Section will take precedence over any inconsistent provisions of the Plan.

(iii) **Requirements of Regulations Incorporated.** All distributions required under this Section will be determined and made in accordance with the Regulations under Code Section 401(a)(9).

(b) Time and Manner of Distribution.

(i) **Required Beginning Date.** The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.

(ii) **Death of Participant Before Distributions Begin.** If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(A) If the Participant's surviving Spouse is the Participant's sole designated Beneficiary then, except as provided in (C) below, distributions to the surviving Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.

(B) If the Participant's surviving Spouse is not the Participant's sole designated Beneficiary then, except as provided in (C) below, distributions to the designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(C) If there is a designated Beneficiary, distribution to the Participant's Beneficiary is not required to begin by the date specified in (A) or (B) above, but the Participant's entire interest must be distributed to the designated Beneficiary by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(D) If there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(E) If the Participant's surviving Spouse is the Participant's sole designated Beneficiary and the surviving Spouse dies after the Participant but before distributions to the surviving Spouse begin, this Section 7.12(b)(ii), other than Section 7.12(b)(ii)(A), will apply as if the surviving Spouse were the Participant.

For purposes of this Section 7.12(b)(ii) and Section 7.12(d), distributions are considered to begin on the Participant's Required Beginning Date. If Section 7.12(b)(ii)(E) applies, distributions are considered to begin on the date distributions are required to begin to the surviving Spouse under Section 7.12(b)(ii)(A). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving Spouse before the date distributions are required to begin to the surviving Spouse under Section 7.12(b)(ii)(A)), the date distributions are considered to begin is the date distributions actually commence.

(iii) Forms of Distribution. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first distribution calendar year distributions will be made in accordance with Sections 7.12(c) and 7.12(d). If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code Section 401(a)(9) and the Regulations thereunder.

(c) Required Minimum Distributions During Participant's Lifetime.

(i) Amount of Required Minimum Distribution For Each Distribution Calendar Year. During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

(A) the quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or

(B) if the Participant's sole designated Beneficiary for the distribution calendar year is the Participant's Spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Regulations, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the distribution calendar year.

(ii) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this Section 7.12(c) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

(d) Required Minimum Distributions After Participant's Death.

(i) Death On or After Date Distributions Begin.

(A) Participant Survived by Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated Beneficiary, determined as follows:

(1) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(2) If the Participant's surviving Spouse is the Participant's sole designated Beneficiary, the remaining life expectancy of the surviving Spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving Spouse's age as of the Spouse's birthday in that year. For distribution calendar years after the year of the surviving Spouse's death, the remaining life expectancy of the surviving Spouse is calculated using the age of the surviving Spouse as of the Spouse's birthday in the calendar year of the Spouse's death, reduced by one for each subsequent calendar year.

(3) If the Participant's surviving Spouse is not the Participant's sole designated Beneficiary, the designated Beneficiary's remaining life expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(B) No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(ii) Death Before Date Distributions Begin.

(A) Participant Survived by Designated Beneficiary. If the Participant dies before the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's designated Beneficiary, determined as provided in Section 7.12(d)(i).

(B) No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will

be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(C) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin. If the Participant dies before the date distributions begin, the Participant's surviving Spouse is the Participant's sole designated Beneficiary, and the surviving Spouse dies before distributions are required to begin to the surviving Spouse under Section 7.12(b)(ii)(A), this Section 7.12(d)(ii) will apply as if the surviving Spouse were the Participant.

(e) Definitions.

(i) Designated Beneficiary. The individual who is designated as the Beneficiary under Section 7.6 of the Plan and is the designated Beneficiary under Code Section 401(a)(9) and Section 1.401(a)(9)-1, Q&A-4, of the Regulations.

(ii) Distribution calendar year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Section 7.12(b)(ii). The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's Required Beginning Date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that distribution calendar year.

(iii) Life expectancy. Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Regulations.

(iv) Participant's account balance. A Participant's Vested Account Balance under the Plan as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and credited or forfeitures credited to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(v) Required Beginning Date. The date specified in Section 2.28 of the Plan.

ARTICLE 8

ADMINISTRATION OF THE PLAN

8.1 Duties, Powers, and Responsibilities of the Employer.

(a) Required. The Employer shall be responsible for:

(i) Determining the amount of Employer Contributions; paying, ceasing, or suspending Employer Contributions (including additional contributions if necessary to correct an error in the crediting of contributions, vesting, or distribution of a Participant's interest); and determining that the amount and timing of Employer Contributions comply with this Plan;

(ii) Serving as the agent for service of process;

(iii) Appointing the Trustee;

(iv) Amending this Plan and Trust;

(v) Revoking this instrument and terminating this Plan and Trust; and

(vi) Merging this Plan with another qualified retirement plan maintained by the Employer or dividing this Plan into multiple plans.

(b) Discretionary. The Employer may exercise the following responsibilities:

(i) Appointing one or more Investment Managers, who shall have the power to acquire, manage, or dispose of any or all Trust assets; provided, that the functions of the Investment Manager shall be limited to those specified services and duties for which the Investment Manager is engaged, and the Investment Manager shall have no other duties, obligations, or responsibilities under this Plan or Trust;

(ii) Appointing one or more agents to act as custodians of a portion of the Trust assets transferred to each such custodian that are subject to an Investment Manager;

(iii) Designating a person or entity other than the Employer as the Administrator; and

(iv) Paying administrative expenses incurred in the operation, administration, management, and control of this Plan or the Trust, unless the Employer directs payment from the Trust.

8.2 Employer Action.

An action required to be taken by the Employer shall be taken by the Administrator, to the extent consistent with any legislation and/or governmental orders under which this Plan is established.

8.3 Plan Administrator.

The Administrator is a named fiduciary for operation and management of the Plan and shall have the responsibilities conferred upon the “Administrator” by this Plan, and by any legislation and/or governmental orders under which this Plan is established.

8.4 Administrative Committee.

(a) The Administrator may, but shall not be required to, appoint an administrative committee to perform the duties involved in the daily operation of this Plan. The number of members of the administrative committee shall be determined by the Administrator. The Administrator shall appoint the members of the administrative committee and may remove or replace them at any time. Any member of the administrative committee who is an Employee shall serve without compensation.

(b) The administrative committee is an agent of the Employer. The administrative committee shall have the powers and duties delegated to it by the Administrator. Except to the extent the administrative committee is expressly named a fiduciary with respect to this Plan, the administrative committee will be responsible only to the Employer for its actions and will not be a named fiduciary for operation and management of this Plan.

(c) The administrative committee shall act by a majority of its members then in office. Any member of the administrative committee who is a Participant shall not vote or act on a matter that relates solely to that Participant; if that Participant is the only member of the administrative committee, the necessary action shall be exercised by the Administrator. Action may be taken either by a vote at a meeting or in writing without a meeting. Actions of the administrative committee may be evidenced by written instrument executed by the chairman or the secretary of the administrative committee. The administrative committee shall keep records of its proceedings. The administrative committee shall report to the Administrator when requested with respect to the administration, operation, and management of this Plan.

8.5 Duties, Powers, and Responsibilities of the Administrator.

Except to the extent properly delegated, the Administrator shall have the following duties, powers, and responsibilities and shall:

(a) Interpret this instrument (including resolving an inconsistency or ambiguity or correcting an error or an omission);

(b) Subject to Section 8.10, determine the rights of Participants and Beneficiaries under the terms of this Plan and communicate that information to the Trustee;

(c) Be responsible for determining that this Plan complies with all limitations under the Code and Regulations;

(d) Determine which Participants are entitled to a share of the Employer Contributions and other available amounts for a Plan Year, the amount of each eligible Participant’s Participating Compensation for the Plan Year, the amount of the Employer

Contribution to be credited to each eligible Participant, the amount and disposition of an excess Annual Addition, and a Participant's vested percentage;

(e) Correct (to the extent possible, by making adjustments to the accounts, recovering overpayments, etc.) an error, including (but not limited to) errors in crediting Employer Contributions, or in determining the investment experience, vesting or distribution of a Participant's interest;

(f) Establish or approve the manner of making an election, designation, application, claim for benefits, and review of claims;

(g) Direct the Trustee as to the recipient, time payments are to be made or to begin, and the elected form of distribution;

(h) Establish procedures to determine whether or not a domestic relations order is a QDRO, to notify the Participant and any alternate payee of this determination, and to administer distributions pursuant to a QDRO;

(i) Obtain to the extent reasonably possible all information necessary for the proper administration of this Plan;

(j) Establish procedures for and supervise the establishment and maintenance of all records necessary and appropriate for the proper administration of this Plan;

(k) Prepare and (i) file any required annual and periodic reports (if any) required under Regulations; and (ii) distribute any required disclosure documents;

(l) Report and pay any applicable penalty tax or excise taxes incurred by this Plan or the Employer in connection with this Plan on the proper tax form designated by the Internal Revenue Service and within the time limits specified for the tax form;

(m) Employ attorneys, actuaries, accountants, clerical employees, agents, or other persons or entities who are necessary for operation, administration, and management of this Plan;

(n) Present to the Trustee for payment (if not paid by the Employer) or reimbursement (if advanced by the Employer) all reasonable and necessary expenses, fees and charges, including fees for attorneys, actuaries, accountants, clerical employees, agents, or other persons or entities, incurred in connection with the administration, management, or operation of this Plan;

(o) Assess to any Participant's accounts all expenses, fees and charges incurred in connection with such accounts, including those relating to Plan loans made to the Participant, to procurement of investment advice by the Participant, and to direction of investments pursuant to Section 9.4

(p) Apply all policies, procedures, and other acts without discrimination among Participants;

- (q) Review compliance with any applicable bonding requirements; and
- (r) Exercise all other powers and duties necessary or appropriate under this Plan, except those powers and duties allocated to another named fiduciary.

8.6 Delegation of Administrative Duties.

The Administrator may delegate an administrative duty to a fiduciary.

(a) The written delegation shall specify (i) the date of the action and the effective date of the delegation; (ii) the responsibility delegated; (iii) the name, office, or other reference of each fiduciary to whom the responsibility is delegated; and (iv) if a responsibility is delegated to more than one fiduciary, the allocation of the responsibility among the fiduciaries.

(b) The delegation shall be communicated to the fiduciary to whom the responsibility is assigned, and written acceptance of the responsibility shall be made by the fiduciary. A fiduciary shall retain the responsibility until the fiduciary resigns or rejects the responsibility in writing, or the Administrator takes a superseding action.

(c) If a fiduciary's powers or actions conflict with those of the Administrator, the powers of and actions of the Administrator will control.

8.7 Interrelationship of Fiduciaries.

A person or entity may serve in more than one fiduciary capacity with respect to this Plan and Trust. Each fiduciary shall act in accordance with this Plan and Trust. Each fiduciary shall be responsible for the proper exercise of its responsibilities. Except as required by applicable laws, each fiduciary may rely upon the action of another fiduciary and is not required to inquire into the propriety of any action.

8.8 Compensation; Indemnification.

An Employee fiduciary who is compensated on a full-time basis by the Employer shall not receive compensation from this Plan, except for reimbursement of expenses. The Employer may, consistent with Michigan law, indemnify and hold harmless each of its Employees to whom responsibilities for the operation and administration of this Plan have been delegated from any and all claims, loss, damages, expense, and liability arising from any action or failure to act. Indemnification shall not be required if an Employee's action or inaction is judicially determined to be due to gross negligence or willful misconduct of the Employee. The Employer may purchase and maintain liability insurance covering itself or an Employee against part or all of any claim, loss, damage, expense, and liability.

8.9 Fiduciary Standards.

Each fiduciary shall act solely in the interest of Participants and Beneficiaries:

- (a) With the care, skill, and diligence of a prudent person;

(b) For the exclusive purpose of providing benefits and paying expenses of administration under the Plan; and

(c) To avoid engaging in a prohibited transaction under the Code unless an exemption for the transaction is available or obtained.

8.10 Claims Procedure.

The Administrator shall determine all issues arising from the administration of this Plan. Unless the Administrator shall establish alternative claim procedures, the following shall apply:

(a) Initial Determination. Upon application by a Participant or Beneficiary, the Administrator shall make an initial determination and communicate the determination to the Participant or Beneficiary within 90 days after the application. If the initial determination requires a longer period, the Administrator shall notify the Participant or Beneficiary that the 90-day period is extended to 180 days.

(b) Method. The decision of the Administrator shall be in writing. The decision shall set forth (i) the decision and the specific reason for the decision; (ii) specific reference to the Plan provisions on which the decision is based; (iii) a description of additional material, information, or acts that may change or modify the decision; and (iv) an explanation of the procedure for further review of the decision.

(c) Further Review. Within 60 days of receipt of the initial written decision, the Participant or Beneficiary filing the original application, or the applicant's authorized representative, may make a request for redetermination by the Administrator. The applicant (or the authorized representative) may review all pertinent documents and submit issues, comments, and arguments.

(d) Redetermination. Within 60 days of receipt of an application for redetermination, unless special circumstances require a longer period of time (but not longer than 120 days after receipt of the application), the Administrator shall provide the applicant with its final decision, setting forth specific reasons for the decision with specific reference to Plan provisions on which the decision is based.

8.11 Participant's Responsibilities.

All requests for action of any kind by a Participant or Beneficiary under this Plan shall be made in writing, executed by the Participant or Beneficiary, and shall be subject to any other Plan policies or procedures applicable to any specific type of request.

ARTICLE 9

INVESTMENT OF FUNDS

9.1 Investment Responsibility.

Except to the extent investment responsibility is expressly granted to an Investment Manager or to a Participant pursuant to Section 9.4, the Trustee shall have the authority and responsibility for the investment, management, and control of Trust assets.

9.2 Authorized Investments.

The Trust may be invested and reinvested in common or preferred stocks, bonds, mortgages, leases, notes, debentures, mutual funds, guaranteed investment contracts, other securities, and other real or personal property, including, without limitation, the following types of investments, except that investment in collectibles (as that term is defined in Code Section 408(m)) shall not be permitted if the Participant directs the investment of the Participant's account.

(a) Interest-Bearing Deposits. The Trust may be invested in deposits, certificates, or share accounts of a bank, savings and loan association, credit union, or similar financial institution, including a fiduciary, if the deposits bear a reasonable rate of interest, whether or not the deposits or certificates are insured or guaranteed by an agency of the United States Government.

(b) Pooled Investment Funds of a Custodian. The Trust may be invested through ownership of assets or shares in a common trust fund, pooled investment fund, or mutual fund maintained by a custodian, or an affiliate of the custodian, that allows participation by a trust fund established under a qualified retirement plan. For this purpose, the terms and provisions of the declaration of trust or other governing documents through which the common trust fund, pooled investment fund, or mutual fund is established or maintained by the custodian, or an affiliate of the custodian, are incorporated in, and made applicable to, this Plan.

(c) Unallocated Funds. An Employer Contribution or other amounts held by the Trustee pending crediting to Participants' accounts may be held in cash or invested in interest-bearing obligations maturing before the date the allocation is required.

(d) Right of Trustee To Hold Cash. The Trustee may hold a reasonable portion of the Trust in cash pending investment or payment of expenses and distributions.

9.3 Commingled Investment.

The Trust may be commingled for investment with other funds or assets similarly invested for investment purposes, and without distinction between principal and income.

9.4 Investment Direction by Participants.

(a) All Participants of the Plan shall be afforded the ability to direct the investment of their accounts under the Plan, in accordance with such investment choices as are made available and those policies and procedures as are determined by the Trustee and the Administrator from time to time. Investment directions by a Participant shall be in the format and subject to the policies and procedures prescribed through the Plan's automated system or in another manner as determined by the Administrator from time to time, and shall be effective only as provided under such policies and procedures.

(b) The Trustee may rely upon any such investment direction from the Participant and upon the continuance of the direction contained therein until it is revoked or modified in the same manner. If the Trustee determines in its sole discretion that any investment direction received from a Participant is not sufficiently clear or is not authorized under the terms of the Plan, the Trustee may ignore such direction and request that the Participant file a new direction. The Trustee may hold in temporary cash equivalents (or in any other investment medium as determined in the Trustee's discretion) that portion of the Participant's accounts for which inadequate or no investment direction is in effect.

(c) The Trustee shall act only as custodian with respect to any Participant's accounts that are directed (or deemed directed) in accordance with this Section 9.4, and neither the Administrator nor the Trustee shall be responsible for the investment performance of the assets of such accounts.

9.5 Loans.

(a) Upon application by a Participant who is actively employed by the Employer and at the direction of the Administrator, the Trustee shall loan the Participant the amount requested therewith. Any such loan shall be made pursuant to the separate loan policy statement for the Plan (setting forth the terms and conditions upon which such loans shall be granted, including interest rates, security, and maximum amounts and duration of loans, which terms and conditions shall be fair and equitable to all such Participants and applied on a nondiscriminatory basis), as developed and revised by the Administrator from time to time. All interest and principal payments on such loans shall be made to the Trust.

(b) Any such loan program will have the following (or more restrictive) characteristics: The aggregate total amount of such loans to any Participant shall not exceed the lesser of: (i) \$50,000; or (ii) one-half of the total value of the Participant's Vested Account Balance (or \$10,000 if greater). The term of such loans shall not exceed five (5) years, unless it is applied toward the acquisition of the Participant's principal residence, in which case the loan must be repaid within a reasonable time. Any such loan shall be in writing, shall be adequately secured (including security of up to one-half of the Participant's Vested Account Balance), shall bear reasonable interest and shall provide for substantial level amortization over the term of the loan with payments to be made at least quarterly.

(c) If a Participant fails to repay any loan in accordance with its material terms, then until such indebtedness shall have been fully repaid or discharged, the Administrator shall

discharge such indebtedness by deducting it from any amounts which are then, or later become, payable to such Participant under the terms of the Plan.

ARTICLE 10

ADMINISTRATION OF THE TRUST

10.1 Duties and Powers of the Trustee.

(a) Duties of the Trustee. The Trustee shall be a named fiduciary having the following duties:

- (i) To control, manage, and invest Trust assets, to the extent provided in Article 9;
- (ii) To carry out the instructions of the Administrator; and
- (iii) To maintain records and to prepare and file reports required by law or Regulations, other than those for which the Administrator is responsible under the terms of this Plan.

(b) Powers of the Trustee. The Trustee shall have the following powers:

- (i) To hold, manage, improve, repair, and control all property, real or personal, forming part of the Trust;
- (ii) To invest Trust assets subject to the limitations in this Plan;
- (iii) To sell, convey, transfer, exchange, partition, lease for any term (even extending beyond the duration of the Trust), or otherwise dispose of a Trust asset from time to time, in the manner, for the consideration, and upon the terms and conditions that the Trustee, in its discretion, determines;
- (iv) To employ and to compensate from the Trust agents, advisers, and legal counsel reasonably necessary in managing the Trust and advising the Trustee as to its powers, duties, and liabilities;
- (v) To prosecute, defend, settle, arbitrate, compromise, or abandon all claims and demands in favor of or against the Trust, with or without the assistance of legal counsel;
- (vi) To vote a corporation's stock or other securities, either in person or by proxy, for any purpose;
- (vii) To exercise, refrain from the exercise of, or convey a conversion privilege or subscription right applicable to a Trust asset;
- (viii) To demand, collect, and receive the principal, dividends, interest, income, and all other moneys or other property due upon Trust assets;
- (ix) To consent to, oppose, or take another action in connection with a bankruptcy, composition, arrangement, reorganization, consolidation, merger, liquidation,

readjustment of the financial structure, or sale of assets of a corporation or other organization, the securities of which may constitute a portion of the Trust;

(x) To cause securities or other property forming part of the Trust to be issued, held, or registered in the individual name of the Trustee, in the name of its nominee or in such form that title will pass by delivery, provided that the records of the Trustee shall indicate the ownership of the property or security;

(xi) To borrow money for the benefit of the Trust without binding itself individually, and to secure the loan by pledge, mortgage, or creation of another security interest in the property;

(xii) To make distributions from the Trust as directed by the Administrator;

(xiii) Unless paid by the Employer, to pay from the Trust all reasonable fees, taxes, commissions, charges, premiums, and other expenses, including the reasonable fees of the Trustee, incurred by the Trustee or Administrator, in connection with the administration of this Plan or Trust;

(xiv) To insure Trust assets through a policy or contract of insurance;

(xv) To incorporate (or participate in an incorporation) under the laws of any state for the purpose of acquiring and holding title to any property that is part of the Trust;

(xvi) To keep on deposit with a custodian in the United States any part of the Trust; and

(xvii) To perform all other acts the Trustee deems necessary, suitable, or desirable for the control and management of the Trust and discharge of its duties.

(c) Limitation on Duties and Powers of the Trustee. The Trustee shall not be required to exercise a responsibility assigned to the Employer or Administrator under this instrument.

(d) Limitation on Duties and Powers of the Trustee When Investment Manager Appointed. If an Investment Manager is appointed to manage and invest some or all of the Trust assets, the Investment Manager shall have, and the Trustee shall not have, the specified duties and powers with respect to investment of Trust assets subject to the Investment Manager's control. The Trustee shall have no obligation or power to exercise discretionary authority or control with respect to the investment of the assets subject to management by the Investment Manager or to render advice regarding the investment of such assets. The Trustee shall not be liable for the investment performance of the assets subject to management by the Investment Manager. The powers and duties of the Trustee with respect to such assets shall be limited to the following:

(i) Unless otherwise provided, to have custody of the Trust assets not transferred to the custody of the Investment Manager or its agent, and to protect the assets in its custody from loss by theft, fire, or other cause;

- (ii) To act as custodian of Trust assets unless the Employer appoints another custodian;
- (iii) To acquire additional assets for the Trust in accordance with the direction of the Investment Manager;
- (iv) To sell or otherwise dispose of Trust assets in accordance with the direction of the Investment Manager;
- (v) To account for and render accountings with respect to the Trust (except for assets held by a broker or the Investment Manager);
- (vi) To take authorized actions for and on behalf of the Trust in accordance with the direction of the Investment Manager; and
- (vii) To perform other ministerial and custodial tasks in accordance with the direction of the Investment Manager.

(e) Limitation on Duties and Powers of the Trustee with respect to Participant-Controlled Investments. Consistent with the granting of investment responsibility to Participants with respect to their accounts under the Trust pursuant to Section 9.4, the Trustee shall have only those limited ministerial and custodial responsibilities with respect to the Trust funds represented by such accounts as are set forth in Section 9.4 or as are similar to those set forth in subsection (d) above.

10.2 Accounting.

The Trustee shall maintain accurate and detailed records of all investments, receipts, disbursements, and other transactions for the Trust. The records shall be available for inspection at all reasonable times by persons designated by the Administrator. As soon as administratively feasible after the end of each Plan Year and each other date agreed to by the Administrator and the Trustee, the Trustee shall prepare and furnish to the Administrator a statement of account. A dispute concerning the Trustee's records or statement of account may be settled by a suit for an accounting brought by a person having an interest in the Trust.

10.3 Trustee Action.

Actions taken by a Trustee shall be by written instrument executed by the Trustee.

ARTICLE 11

AMENDMENT

11.1 Amendment.

The Employer, acting through the Administrator, may amend this Plan and Trust document, to the extent consistent with any legislation and/or governmental orders under which this Plan is established. An amendment may be retroactive or prospective, in the sole discretion of the Administrator, except where prohibited by the Code. An amendment may be made without the consent of any other person or entity, except that an amendment shall not:

- (a) Decrease the amount credited to a Participant's account;
- (b) Reduce a Participant's vested percentage, as of the later of the date of adoption of the amendment or the effective date of the amendment;
- (c) Modify the vesting schedule to affect directly or indirectly the vested percentage for a Participant who was a Participant on the effective date of an amendment changing the vesting schedule, except to the extent the Participant's vested percentage would be greater under the amended vesting schedule at the effective date of the amendment or any future time;
- (d) Alter the duties, responsibilities, or liabilities of the Trustee without the consent of the Trustee.

ARTICLE 12

TERMINATION

12.1 Right to Terminate or Discontinue Contributions.

The Employer, acting through the Administrator, reserves the right to revoke this instrument and terminate this Plan and Trust, or to cease or suspend further contributions, to the extent consistent with any legislation and/or governmental order under which this Plan is established.

12.2 Automatic Termination.

This Plan shall automatically terminate, or partially terminate when applicable, and contributions to the Trust shall cease where required by the Code.

12.3 Discontinuance of Contributions.

If the Employer determines that it is no longer possible or desirable to make Employer Contributions to the Trust, it may, without terminating this Plan, take appropriate action to permanently discontinue further Employer Contributions. Upon discontinuance of Employer Contributions, the accounts of all affected Participants shall be nonforfeitable. This Plan and Trust will remain in force, and the Administrator and the Trustee will continue to administer this Plan and Trust under its provisions except for those provisions relating to the making of Employer Contributions.

12.4 Effect of Termination or Partial Termination.

Upon termination or partial termination of this Plan, the accounts of affected Participants shall be nonforfeitable, and the Administrator shall direct the Trustee to make distributions to affected Participants under Article 7.

12.5 No Reversion of Assets.

The Employer shall not receive an amount from the Trust upon termination, partial termination, or discontinuance of contributions.

ARTICLE 13

GENERAL PROVISIONS

13.1 Spendthrift Provision.

An interest in the Trust shall not be subject to assignment, conveyance, transfer, anticipation, pledge, alienation, sale, encumbrance, or charge, whether voluntary or involuntary, by a Participant or Beneficiary, unless otherwise provided in this Plan or by the Administrator, or under a QDRO, or as permitted in subsection (a).

(a) An interest shall not provide collateral or security for a debt of a Participant or Beneficiary or be subject to garnishment, execution, assignment, levy, or to another form of judicial or administrative process or to the claim of a creditor of a Participant or Beneficiary, through legal process or otherwise, except for a claim the Trustee may have against the same as security for a Participant loan or as otherwise permitted under the Code.

(b) An attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge, or otherwise dispose of benefits payable, before actual receipt of the benefits, or a right to receive benefits, shall be void. The Trust shall not be liable for, or subject to, the debts, contracts, liabilities, engagements, or torts of a Participant or Beneficiary entitled to benefits. The benefits and Trust assets under this Plan shall not be considered an asset of a Participant or Beneficiary in the event of insolvency or bankruptcy.

13.2 Effect Upon Employment Relationship.

The adoption of this Plan shall not create a contract of employment between the Employer and an Employee, confer upon an Employee a legal right to continuation of employment, limit or qualify the right of the Employer to discharge or retire an Employee at will, or affect the right of the Employee to remain in service after the Normal Retirement Date.

13.3 No Interest in Employer Assets.

Nothing in this Plan and Trust shall be construed to give an Employee, Participant, or Beneficiary an interest in the assets or the business affairs of the Employer, or the right to examine the books and records of the Employer. A Participant's rights are solely those granted by this instrument.

13.4 Construction.

The singular includes the plural, and the plural includes the singular, unless the context clearly indicates the contrary. Capitalized terms (except those at the beginning of a sentence or part of a heading) have the meaning specified in this Plan. If a capitalized term is not defined, the term shall have the general, accepted meaning of the term. If a term that is defined does not have the first letter capitalized, and the definition is applicable at that location in this Plan, the term shall have the stated definition.

Any period of time described in this Plan shall consist of consecutive days, months, or years, as appropriate.

13.5 Severability.

If any provision of this Plan is invalid, unenforceable, or disqualified under the Code or Regulations, for any period of time, the affected provisions shall be ineffective but the remaining provisions shall be unaffected.

13.6 Governing Law.

This Plan and Trust shall be interpreted, administered, and managed in compliance with the Code and Regulations, but only to the extent applicable to a governmental retirement plan or as incorporated by reference herein as a Plan provision. To the extent not preempted by federal law, this Plan and Trust shall be interpreted, administered, and managed in compliance with the laws of the State of Michigan.

13.7 Nondiversion.

The Trust is established and shall be administered for the exclusive benefit of Participants and their Beneficiaries.

IN WITNESS WHEREOF, this amended and restated Plan is executed this _____
day of _____, 2002, effective as of the date set forth above.

STATE OF MICHIGAN

By: _____

Christopher M. DeRose
Director, Michigan Office of Retirement
Services

ACCEPTANCE

The undersigned Trustee accepts the duties, powers and responsibilities of the Trustee as described in Articles 9 and 10 of the foregoing amended and restated State of Michigan 401K Plan.

Dated: _____, 2002

By: _____

Christopher M. DeRose, Trustee
Director, Michigan Office of Retirement
Services